



FACT SHEET



BMDO FACT SHEET 406-00-11

Replaces Fact Sheet 406-00-09

BALLISTIC MISSILE DEFENSE FISCAL YEAR 2001 BUDGET

INTRODUCTION

"I am more convinced than ever that effective missile defense is crucial to the defense of the nation and its armed forces. The missile threats facing our nation, our armed forces, and our allies are immediate and growing. While I expect significant complex technical and management challenges in our program, it is demonstrating increasing success, and I am confident that we are aggressively addressing the right issues at the right time."

- Lieutenant General Ronald T. Kadish, Director, BMDO
April 12, 2000 testimony before Senate Appropriations Committee

The Ballistic Missile Defense Organization's (BMDO) budget is structured to respond to existing and emerging ballistic missile threats to the United States, and its forward deployed forces, allies, and friends around the world. The U.S. missile defense program reflects the ongoing nature of this immediate threat, both with its Theater Missile Defense (TMD) programs and its National Missile Defense (NMD) program, and is working to develop as quickly as possible a highly effective defense system against emerging threats from states of concern. In addition, BMDO continues to develop technology to improve ballistic and cruise missile defense systems.

BUDGET AND ACQUISITION MANAGEMENT

The Department of Defense (DoD) has three major steps to help manage the budgeting and acquisition process: Requirements Generation; Acquisition Management; and Planning, Programming, and Budgeting.

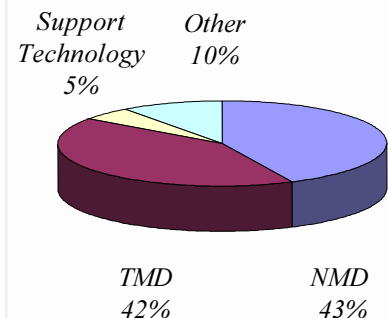
Requirements Generation involves identifying needs in broad terms and progressively narrowing these down into specific system features. An example might be the need to quickly respond to a new threat, such as a new weapons system. Acquisition Management filters the various design concepts of systems that could respond to this new threat, and ultimately results in a stable system design that meets user's needs. Finally, the Planning, Programming and Budgeting phase determines whether the system will be affordable in relation to the overall budget and other demands. The DoD uses these steps to balance the increasing need for missile defense with the constant necessity for fiscal prudence.

BUDGET STRUCTURE

The BMDO's budget is divided among three activities: research, development, testing and evaluation (RDT&E), military construction (MILCON) and procurement.

The RDT&E budget represents all the work done to create new systems such as weapons, sensors, or computers. This includes basic research on advanced concepts and designing, engineering, or testing prototypes. RDT&E comprises the vast majority of the BMDO's budget, and many well known projects are currently in this stage. In fact, some of the BMDO's most prominent programs, such as NMD, Theater High Altitude Area Defense (THAAD), Patriot Advanced Capability-3 (PAC-3), Navy Area, and Navy Theater Wide are considered part of RDT&E.

**FY2001 APPROPRIATION
% of BMDO BUDGET**



BUDGET STRUCTURE [CONTINUED]

MILCON represents the money spent to construct and maintain buildings, testing sites, and other facilities needs for RDT&E or any other support activities. Procurement funds are being used for long-lead NMD items to support deployment when directed. Procurement resources are also allocated for PAC-3 missiles.

Every year, in February, the President submits his fiscal year budget to Congress. Included in the overall budget request is funding for BMDO. After receiving the President's budget, Congress reviews the government programs and policies, sets limits, and provides the funds and guidance to carry out programs and policies. After Congress completes action, the legislation is forwarded to the President for signature.

Budget Highlights				
Appropriation (\$ in millions)*	FY 1998 Appropriated	FY 1999** Appropriated	FY 2000*** Appropriated	FY 2001**** Appropriated
<u>RDT&E</u>				
Navy Area TBMD	290	245.8	308.4	274.2
Navy Theater-Wide	410	338.4	379.8	462.7
PAC-3	206	182.3	219.1	81.0
THAAD System	406	445.3	611.6	549.9
NMD	978	950.5	953.6	1875.2
<u>Other</u>	<u>1095</u>	<u>972.2</u>	<u>1019.9</u>	<u>1019.3</u>
Total	3385	3134.5	3222.4	4262.3
<u>Procurement</u>				
Navy Area TBMD	15	43.3	18.2	0
PAC-3	349	248.2	345.9	365.4
THAAD (BM/C3)	20	22.8	0.0	4.0
<u>NMD</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>74.5</u>
Total	385	314.4	399.1	443.9
<u>MILCON</u>				
Total	3	10	16.4	103.5
* Figures are rounded up to the nearest hundred thousand dollar increment.				
** Includes FY99 Supplemental Funding of \$1B. In addition, the FY99 Emergency Supplement included \$30M for Navy Theater Wide and \$740M for NMD.				
*** Includes FY Supplemental Funding of \$230M of which \$75M is for PAC-3, \$38M is for THAAD EMD, and \$117M for NMD. Also includes FY01 Supplemental Funding of \$75M for PAC-3 of which \$40M is for R&D and \$35M is for procurement.				
**** Sec. 8126 of the FY01 Appropriations Conference Report reduces the amount appropriated for BMDO by \$14M				

PROGRAM AREAS

BMDO has three broad program areas, each addressing a different area of BMDO's mission: TMD, NMD, and the Technology Programs. Together, they help ensure that the U.S. can deal with missile threats in an effective and sustainable manner.

The *TMD program* mission is to protect U.S. forces, allies and other countries, including areas of vital interest to the U.S., from theater missile attacks. The TMD mission includes protection of population centers, fixed civilian and military assets and mobile military units. The *NMD program* addresses the possibility of a limited ballistic missile strike or accidental launch against the U.S. homeland. NMD program researchers are developing a national missile defense system that may be deployed to counter a limited threat. The *Technology Programs* include advanced technology and supporting technology efforts that provide options for improving existing systems. These new ideas include technologies such as the kinetic energy interceptor, advanced surveillance and tracking sensors, and directed energy systems. This program is essential to keep the BMD program ahead of the increasingly sophisticated global missile threat.

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